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DSM - the Life Sciences and Materials Sciences Company

Royal DSM N.V. creates innovative products and services in Life Sciences and Materials Sciences that contribute to the quality of life. DSM's products and services are used globally in a wide range of markets and applications, supporting a healthier, more sustainable and more enjoyable way of life. End markets include human and animal nutrition and health, personal care, pharmaceuticals, automotive, coatings and paint, electrical and electronics, life protection and housing. DSM has annual net sales of EUR 9.3 billion and employs some 23,500 people worldwide. The company is headquartered in the Netherlands, with locations on five continents. DSM is listed on Euronext Amsterdam. More information: www.dsm.com.

DSM welcomes the proposed strategic objectives of securing the longer term well-being of European citizens by continuing to support the transition towards an increasingly more sustainable knowledge-based economy in an inclusive social environment. New jobs need and will indeed to be created by further strengthening education and R&D in e.g. sustainable technologies, products and services. The EU should appreciate that it are the commercial parties that will make the transition to a more sustainable economy happen where governments should create the right framework conditions and put in place stimulating measures. A large part of the means for the transition, i.e. money, basic knowledge, skills and competences, will be provided by existing businesses that thus should thus not be compromised when stimulating new developments.

Regarding the proposed priorities DSM suggests the following:

Creating value by basing growth on knowledge

P..5. on education.

- In addition to the stated objectives DSM proposes that beta - or technical – studies in particular are stimulated as technological knowledge and skills are the real basis for new sustainable products and processes. It is well known that the interest of youngsters is raised best during the early teenage years and by their own teachers. The EU could coordinate EU- and MS-level initiatives, for example by 'teaching teachers'. National societies and networks could be instrumental.
- Tertiary education profiles and curricula should reflect the needs of the (future) labour market. The EU should facilitate input from labour markets as a basis for targeted policies and instruments. A good example are the so-called 'sector investment plans for medium and higher level tertiary education in the Netherlands with input from commercial sectors.

P. 5. on research.

- There should be more focus of funds towards a limited amount of topics which are industrially relevant; there should thus be a strong industrial say in the prioritization and the EU should incorporate industrially-led strategic proposals into EU Research and Innovation Framework Programmes. Valuable sources are European Technology Platforms such as SusChem.
- The Research and Innovation programmes should in particular support the transition towards a bio-based economy, e.g. technologies such as industrial - or 'white' - biotechnology. The further development of biotechnology is the single most important requirement to enable a short term switch towards renewable raw materials for bio-based chemicals, materials and fuels.

P.5. on *innovation and creativity*.

- In addition to the objectives stated, market and societal acceptance of (products and processes based on) new technologies are key to a more efficient use of natural resources. Thus, the EU needs to facilitate public acceptance of these new technologies, by means of clear communication and proper regulation, reflecting a balanced benefits versus risks approach, whilst currently hazard-based regulatory developments occur that hamper innovation. Examples are nanotechnology and the use of GMOs.
- More attention should be given to industrial innovation, i.e. the commercial deployment of new knowledge. Thus the EU should (financially) support valorisation (from academia to industry) and technical demonstrations of (new) technologies.
- DSM very much welcomes the recognition of a (globally accepted) well-functioning (Community) patent system to help secure the EU's technological position. 'knowledge' is increasingly a commercial 'product' and its ownership should thus be properly protected.

Creating a competitive, connected and greener economy.

P. 7 on modernizing Europe's industrial sectors.

- Europe needs to be aware that the introduction of a green economy asks for major investments to ultimately replace existing industrial infrastructures. Thus, the EU should have (more) financial stimuli/incentives and tax credits for the introduction of green (e.g. bio-based) products and processes; one should also be aware that new processes and products should not only be 'green' in an environmental way, but also sustainable from economic and social perspectives.
- R&D and innovation in new technologies needs to be (co-)financed from current and near-future business revenues. Care should thus be taken to not compromise the competitiveness of existing industry, e.g. by creating unfavourable regulatory or financial hurdles compared to other regions while stimulating the desired industrial transitions.
- In favouring a green economy, the EU should have a strategy to secure access to more sustainable (agricultural) resources for application of industrial biotechnology. The EU should maintain a (global) level playing field for globally competing companies on (bio-based) raw materials and energy. The EU should formulate criteria for responsible sourcing of (future) raw materials supply and recognise and certify complying sources of materials and energy; The EU needs to secure the access to renewable resources at competing (world market) prices.

P. 9. on single market and international trade

- Access to existing and – especially renewable - future raw materials at competing (world-market) prices is very important to ensure continuing competitiveness of the industry.
- The new Commission should deliver on the objectives set out in the Global Europe communication. It needs to ensure that the final Doha deal provides real new market access for European exports in both OECD and emerging countries and should strongly advocate a chemical sectoral agreement. The chemical industry of emerging countries is quickly catching up with Europe or even surpassing it.
- In parallel the new Commission should deliver on bilateral and regional Free Trade Agreements with countries in Asia and Latin America. Such agreements can complement a WTO deal and provide for issues not or insufficiently addressed in the Doha Round, e.g. as regards investment rules, intellectual property protection, export duties and customs procedures. Such agreements should cover all industrial products without exception and within the shortest possible tariff liberalisation periods.